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ABSTRACT

A study to determine the topics considered vital by principals and members of the American Education Finance Association (AEFA) is described in this paper. Questionnaires mailed to two random samples of 61 AEFA members and 181 elementary/secondary principals respectively, yielded 35 returns, a 57 percent response rate, and 113 returns, a 62 percent response rate. Responses were used to generate a list of 13 topics in educational finance that principals and AEFA members believed to be vital to the school program. Both sets of respondents perceived school budget administration as the most important topic for educational administration. A significant difference of opinion, however, existed between the two groups in three areas: legal issues, accounting principles, and resource allocation ethics. Despite a common perception of a split between teachers and practitioners of educational administration, no major difference of opinion in the area of educational finance was found. Five tables and two figures are included. (15 references) (LMI)

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Vital Topics in School Finance

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Vital Topics in School Finance

Problem Statement

This study determined the topics from the field of school finance which are vital both to principals and members of the American Education Finance Association (AEFA).

Definition of Variables

Field of School Finance: Body of literature published during the 1980s in the area of public school finance.

Vital knowledge: Knowledge about topics in school finance which AEFA members and principals judged to be vital. (A decision rule based on means was used to determine vital topics. When there was a significant difference in the opinion of those who teach School Finance and those who do not teach such a course (e.g., practitioners), these differences were reported.

Sample, Design and Methodology Used

Sample:

Population 1: Members of the American Education Finance Association (AEFA) as of 1988 comprised the population.

Random Sampling:

1. All members on the 1988 AEFA roster were assigned a number from 000 to 489.
2. An arbitrary number was selected from the table of random numbers.

3. When a number from the random number table corresponded to any of the individuals in the population, then that individual was placed in the sample.
4. Step three was repeated until 61 individuals (12.5% of the total population were selected.)
5. Eventually, 35 responses were received for a response rate of 57% from AEFA members.

Sample 2

Population 2: Principals

Stratified Sampling:

1. Principals of all Louisiana public schools were identified within each of the eight existing Governor's Planning Districts.
2. All schools were placed into a category representing the configuration of the school: elementary, secondary and combination.
3. Within each category, schools were randomly selected with the total number selected being proportional to the total of number of schools in the category and planning district.
4. A sample of 181 schools was obtained using the above method. Ninety three of theses were elementary schools; 40 were high schools. Forty eight were schools which combine levels (e.g., k-12 schools and other grade configurations).
5. The response rate from this group was 62% or 113 replies.

Methodology

Descriptive research methodology was used to collect data for survey construction. The survey instrument was created through the following steps.

1. Review of the topics most often included in books on school finance during the 1980s. (See Bibliography.)
2. Use of frequency analysis to identify 30 topics.
3. A modified Likert scale asked individuals to respond to a series of statements by indicating whether the respondent believed: (1) the topic to be vital, (2) important but not vital or (3) not important to a school level administrator.

Null Hypotheses

1. There is no significant difference between the mean responses of AEFA members and practicing principals.
2. There is no significant difference between the mean responses of those who have 1 to 4, 5 to 8, 9 to 16, 17 to 20 or over 21 years of experience in educational administration.
3. There is no significant difference between the mean responses of those who regularly teach classes or conduct inservice sessions on school finance.

Statistical Treatment

1. ANOVA was used to determine whether there was a significant difference between means in order to test each null hypothesis (L.R. Gay, 1987; Freund, Littell & Spector, 1986).
2. Duncan Multiple Range Test was used to conduct multiple comparison of the 30 topics. Duncan's method was used in order to lessen the probability of Type I error (Freund, Littell & Spector, 1986).

3. Calculation of the response mean for each topic was used to determine which topics were considered vital to those who teach School Finance and practicing school administrators.

Major Findings and Implications

Introduction

It is not unusual to hear that those who teach school finance courses and those who practice school finance in principals' offices are miles apart. There are those who say that the courses in school finance are too "theoretical"; that principals want topics in school finance to be "practical."

With this apparent dilemma in mind, texts in school finance listed in Books in Print with copyright dates from 1980 to 1989 were examined. A listing of topics from those texts was compiled. By using frequency analysis, the topics from the selected texts was narrowed to a list of 30. These 30 topics became the subject of a survey conducted during the Winter, 1989-90. The same survey was sent to a random sample of members of American Education Finance Association (AEFA) and a stratified random sample of Louisiana principals. The findings were based on a response rate of 62% from principals and 57% from AEFA members.

Findings

There were no significant differences between responses of AEFA members and principals on 20 of the 30 items (see Table 1). Principals rated 8 of the 10 topics in contention of more importance, relatively. These eight were:

--financing school facilities

--incentives

--school efficiency

--equity in financing schools

--legal issues in school finance

--accounting principles

--use of microcomputers in budgeting

--federal aid

The two topics rated higher, relatively, by AEFA members were:

--ethics

--collective bargaining

When the data were analyzed to compare the response rate of those who teach school finance classes to those of principals, much of the above findings remained the same (see Table 2). AEFA members are not all professors of finance. When those who do not teach such a course were dropped from the analysis, no significant difference occurred in the respondents' opinion on incentives and school efficiency. However, vouchers emerged as a topic of significant disagreement. Principals rate vouchers higher as an area of concern than did professors of school finance.

Furthermore, the data were analyzed to determine whether there were differences in the perceptions of those who had various amounts of experience in school finance (see Table 3). Only 4 of the 30 topics were significantly different when experience was the comparison factor. Those four were:

--budget components

--collective bargaining

--accounting principles

--federal aid

Not surprisingly, those who had 1 to 4 years experience considered budget components to be of a more vital nature than did those who had 17 to 20 years of experience. Interestingly enough, there was no significant difference between those just starting in administration and those who had more than 21 years experience.

In a like fashion there was a difference in opinion between those with 4 or less and 9 to 16 years of experience on the topic of collective bargaining. Those with four or less years experience regarded the topic as relatively more vital than did any other group. Again, there was no difference in response of those new in the field and the veterans (more than 21 years experience). Also, administrators with less experience regarded the issue of federal aid to be of more value than did any other group.

Finally, those in the middle years of experience, 9 to 20, disagreed with the veterans (more than 21 years) on the importance of accounting principles, weighing the topic as more valuable. Generally, respondents at all levels of experience, except the most senior, regarded knowledge about accounting principles as vital for the principal to understand.

Implications

From the responses, we can generate a list of the topics principals and AEFA members believe to be vital to the school principal. By invoking a decision rule (mean ≤ 1.5), a list of 13 topics emerged from the 30 originally supposed to be vital (see Table 4). Both sets of respondents agreed that administering school budgets is the most important of the topics discussed in school finance books in the past decade.

Significant difference of opinion was found in three areas.

--legal issues in school finance

--accounting principles

--ethics in resource allocation

However, the relative ranking given by both populations was similar (see Figure 1). No significant differences were found in the opinions on a large majority of the topics.

In conclusion, in spite of any common myth about the split between those who teach educational administration and those who practice it, there seems to be no major difference of opinion in the area of school finance. Principals, AEFA members and School Finance professors share similar beliefs about topics which are vital and those of limited importance in the practice of school administration. Professors developing course syllabi and textbooks can use a research base for determining which topics are of most importance in the opinion of both informed experts and practicing principals.

Table 1

Mean Responses from Principals and Members of AEFA

Topic	F 1,146	P	Mean Principal	Mean AEFA	Duncan's Multiple Range Test
Economics	<1	ns	1.9	2.0	none
Taxation	<1	ns	2.0	1.9	none
History	<1	ns	2.0	2.5	none
Nonpublic Schls	1.43	ns	2.3	2.5	none
Facilities	9.33	.01	1.4	1.8	I vs. II
School Budgets	<1	ns	1.1	1.1	none
Property Man'ment	<1	ns	1.5	1.5	none
Personnel Admin.	<1	ns	1.3	1.3	none
Vouchers	<2	ns	2.1	2.2	none
Incentives	4.29	.05	1.8	2.0	I vs. II
Efficiency	4.25	.05	1.2	1.4	I vs. II
Ethics	10.46	.001	1.9	1.5	I vs. II
Politics	<2	ns	2.2	2.0	none
Allocations	<1	ns	1.5	1.5	none
Budget Components	<2	ns	1.5	1.6	none
Planning	<2	ns	1.4	1.3	none
Equity	9.28	.001	1.6	2.0	I vs. II
Budget Cuts	<1	ns	1.6	1.6	none
Bargaining	9.21	.05	2.1	1.7	I vs. II
Energy Conserving	2.0	ns	1.6	1.7	none
Risk Management	<3	ns	1.8	2.0	none

Campaigns	0	ns	2.0	2.0	none
Lobbying	<1	ns	2.1	2.2	none
Sp.Ed. Funding	0	ns	2.1	2.1	none
Effective Schools	<1	ns	1.3	1.4	none
Technology	1	ns	1.5	1.3	none
Legalities	20.7	.0001	1.5	2.0	I vs. II
Accounting	23.9	.0001	1.5	2.1	I vs. II
Computers	4.24	.04	1.8	2.1	I vs. II
Fed. Aid	34.14	.0001	1.7	2.4	I vs. II

Note: ns = no significant difference

Table 2

Mean Responses by Those Who Teach School Finance Courses and Those Who Do Not

Topic	F 1,144	P	Mean Principal	Mean Professor	Duncan's Multiple Range Test
Economics	<1	ns	1.9	1.9	none
Taxation	<1	ns	2.0	2.0	none
History	<1	ns	2.4	2.4	none
Nonpublic Schls	<1	ns	2.3	2.4	none
Facilities	7.91	.005	1.4	1.8	I vs. II
School Budgets	<1	ns	1.1	1.1	none
Property Man'ment	<1	ns	1.5	1.5	none
Personnel Admin.	<1	ns	1.3	1.3	none
Vouchers	5.64	.05	2.0	2.4	I vs. II
Incentives	2.41	ns	1.8	2.0	none
Efficiency	3.79	.10	1.2	1.4	none
Ethics	8.63	.05	1.9	1.5	I vs. II
Politics	<2	ns	2.1	2.0	none
Allocations	1.0	ns	1.5	1.4	none
Budget Components	2.39	ns	1.4	1.6	none
Planning	<1	ns	1.4	1.3	none
Equity	5.42	.05	1.6	1.9	I vs. II
Budget Cuts	<1	ns	1.6	1.6	none
Bargaining	7.76	.05	2.1	1.7	I vs. II
Energy Conserving	<1	ns	1.6	1.7	none
Risk Management	1.0	ns	1.8	2.0	none

Campaigns	<1	ns	2.0	1.9	none
Lobbying	<2	ns	2.1	2.2	none
Sp.Ed. Funding	<1	ns	2.1	2.0	none
Effective Schools	<1	ns	1.3	1.4	none
Technology	<1	ns	1.5	1.4	none
Legalities	13.49	.001	1.5	2.0	I vs. II
Accounting	12.87	.001	1.5	2.1	I vs. II
Computers	<2	ns	1.8	2.0	none
Fed. Aid	16.22	.0001	1.8	2.3	I vs. II

Note: ns = no significant difference

Table 3

Mean Responses by Years of Experience in Administration

Topic	F 4,140	P	Means by Years					Duncan's Multiple Range Test
			I	II	III	IV	V	
Economics	<1	ns	1.9	1.8	2.0	2.0	1.9	none
Taxation	<1	ns	1.8	1.9	2.1	1.8	2.0	none
History	3.06	ns	2.0	2.5	2.4	2.6	2.2	none
Nonpublic Schls	<1	ns	2.3	2.3	2.4	2.3	2.2	none
Facilities	<1	ns	1.3	1.5	1.4	1.6	1.6	none
School Budgets	<1	ns	1.1	1.0	1.1	1.2	1.1	none
Property Man'ment	<2	ns	1.6	1.4	1.4	1.5	1.8	none
Personnel Admin.	<1	ns	1.3	1.3	1.2	1.2	1.3	none
Vouchers	<1	ns	2.0	1.9	2.2	2.3	2.1	none
Incentives	<1	ns	1.7	1.8	1.8	1.9	1.8	none
Efficiency	<1	ns	1.3	1.2	1.2	1.3	1.4	none
Ethics	<2	ns	1.8	1.7	1.9	1.5	1.7	none
Politics	<1	ns	2.2	2.1	2.1	2.0	2.0	none
Allocations	<1	ns	1.4	1.5	1.6	1.4	1.4	none
Budget Components	<2	ns	1.3	1.6	1.7	1.8	1.5	I vs. IV
Planning	<1	ns	1.3	1.4	1.4	1.4	1.3	none
Equity	<1	ns	1.6	1.7	1.7	2.0	1.6	none
Budget Cuts	<1	ns	1.5	1.5	1.6	1.6	1.7	none
Bargaining	2.41	.05	1.7	2.1	2.2	1.8	1.9	I vs. III
Energy Conserving	<1	ns	1.6	1.5	1.7	1.6	1.5	none
Risk Management	<1	ns	1.8	1.9	1.8	1.9	1.9	none

Funding Campaigns	<1	ns	2.0	1.9	2.0	2.3	2.0	none
Lobbying	<1	ns	2.1	2.1	2.2	2.0	2.0	none
Sp.Ed. Funding	<2	ns	2.0	1.9	2.2	1.9	2.1	none
Effective Schools	<1	ns	1.2	1.3	1.4	1.4	1.2	none
Technology	<1	ns	1.5	1.3	1.5	1.4	1.4	none
Legalities	0.80	ns	1.4	1.5	1.6	1.6	1.7	none
Accounting	1.88	ns	1.6	1.7	1.5	1.5	2.0	III vs. V
Computers	0.63	ns	1.8	1.9	1.8	1.9	2.0	none
Fed. Aid	2.68	.05	1.5	1.8	1.9	2.1	2.1	I vs. IV & V

Notes:

ns = no significant difference

I = 1 to 4 years of experience

II = 5 to 8

III = 9 to 16

IV = 17 to 20

V = 21 or above

Table 4

Vital Topics in School Finance

Topic	Principals		AEFA Members	
	Mean	Rank	Mean	Rank
Administering School Budgets	1.1	1	1.1	1
School Efficiency*	1.2	2	1.4	3
Effective School Characteristics	1.3	3	1.4	3
Personnel Administration	1.3	3	1.3	2
Financing Facilities*	1.4	4	1.8	6
Financial Planning/Cost Control	1.4	4	1.3	2
Property Management	1.5	5	1.5	4
Internal Resource Allocation	1.5	5	1.5	4
Budget Components	1.5	5	1.6	5
Technology Use in Schl Improvement	1.5	5	1.3	2
Legal Issues in School Finance*	1.5	5	2.0	8
Accounting Principles*	1.5	5	2.1	7
Ethics in Resource Allocation*	1.9	6	1.5	4

Notes:

Decision Rule: For a topic to be designated "vital" required a mean of ≤1.5 from either principals or AEFA members.

Topics with the same ranking share the same relative value.

*Significantly different means

Table 5

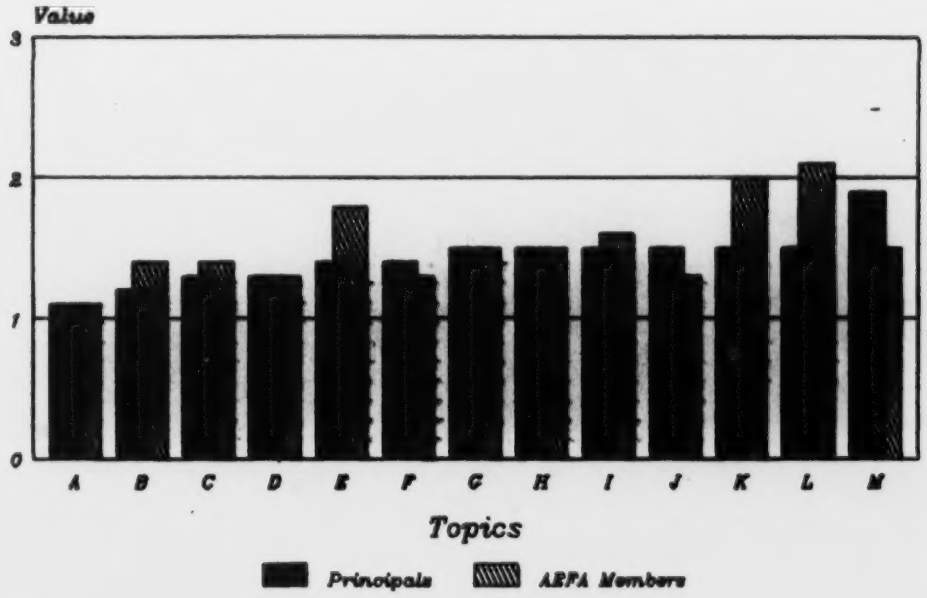
Topics of Limited Importance

Topic	Means	
	Principals	AEFA Members
History of School Finance	2.0	2.5
Funding for Nonpublic Schools	2.3	2.5

Notes:

Decision Rule: For a topic to be designated "Of Limited Importance" required a mean of ≥2.5 from either principals or AEFA members.

Figure 1: Vital Topics in School Finance

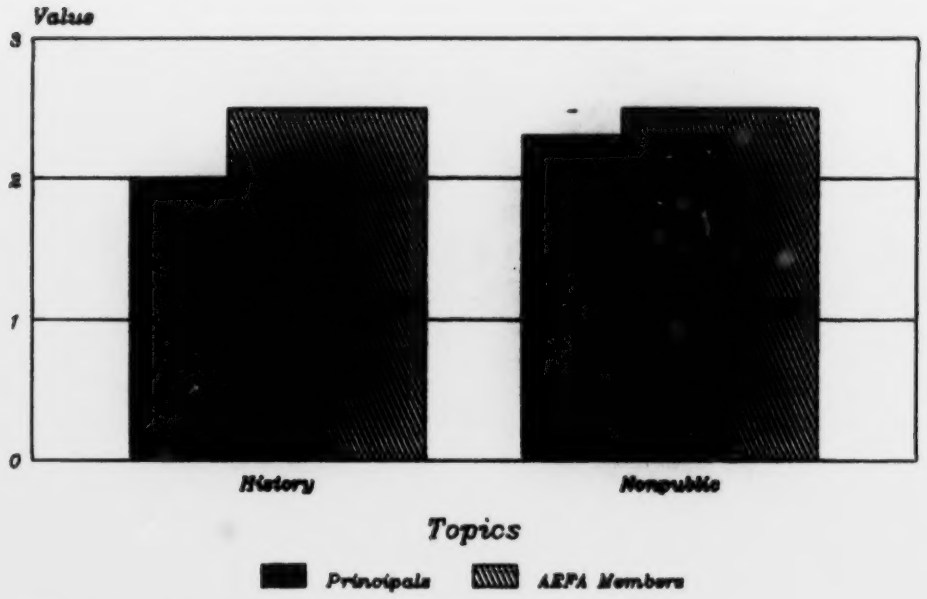


1 = Vital; 3 = Of limited importance

Legend:

A = Administering School Budgets
B = School Efficiency
C = Effective School Characteristics
D = Personnel Administration
E = Financing Facilities
F = Financial Planning\Cost Control
G = Property Management
H = Internal Resource Allocation
I = Budget Components
J = Use of Technology in School Improvements
K = Legal Issues in School Finance
L = Accounting Principles
M = Ethics in Resource Allocation

Figure 2: Topics of Limited Importance



1 = Vital; 3 = Of limited importance

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